

28 July 1965

MEMORANDUM FOR: Executive Secretary, EIC

SUBJECT: Report for FY 1965 of the EIC Subcommittee on International Trade and Finance

A. Activities of the Subcommittee During Fiscal Year 1965

1. Review of the Intelligence Product in the Subcommittee's Field of Competence

Through its long-established channels of communication, both formal and informal, Subcommittee members maintain a continuing critical review of intelligence needs and intelligence research on Sino-Soviet Bloc trade.

2. Research and Collection Deficiencies

The Subcommittee took no action.

3. Priority National Economic Intelligence Objectives

The PNEIO's serve as no more than an adjunct to the complex and comprehensive system through which priority intelligence objectives in the field of Bloc trade are identified and pursued.

4. Review of Substantive Papers

The comprehensive annual study of China's trade and transport, produced under EIC aegis and reviewed jointly by the Subcommittees on trade and transportation, was not published this past spring but, at EIC request, has been postponed until Autumn 1965. in order that it be based on more complete trade data for 1964.

5. Review of Proposals for External Research

The Subcommittee took no action.

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GROUP I Excluded from automatic downgrading and declassification
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6. Maintenance of Agreed Basic Statistics

The CIA/ORR program to code and store basic Soviet trade data in an IBM system has been continued.

7. Projects Undertaken at the Request of the EIC or Proposed to the EIC

At the request of the EIC, CIA has drafted a preliminary study of recent trends in China's foreign trade, to be published as a CIA Economic Intelligence Memorandum early this Fiscal Year. A comprehensive survey of China's 1964 trade and transport is to be prepared under EIC auspices and reviewed jointly by the trade and transport subcommittees in Autumn 1965.

In addition the second paper in a series entitled Recent Trends in Soviet Foreign Trade, which was requested by the EIC, has been drafted by CIA in consultation with the State and Commerce members of the Subcommittee. This paper will be published as an ORR Economic Intelligence Memorandum in early FY 1966.

8. Intelligence Research Techniques

The Subcommittee took no action.

9. Special Coordination Functions of the Subcommittee

Subcommittee members continued to advise the USIB Committee on Exchanges.

10. Evaluation of the Role of the Subcommittee

Because of the open channels of communication that have been established among Subcommittee members in past years, an effective and harmonious system exists for coordinating intelligence on matters of mutual interest concerning international trade of the Sino-Soviet group. These channels are used as needed, with resulting benefits to all the participating agencies.

B. Future Program of the Subcommittee

The Subcommittee plans to maintain its role in discussing, supporting, reviewing, and coordinating selected intelligence research on the foreign trade of Communist Bloc countries. In

trying to assess the particular sorts of activity which the Subcommittee could most usefully undertake in the future, one member has raised the possibility of holding, under Subcommittee auspices, irregular, informal discussions of selected substantive questions among specialists from the participating Agencies.

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Executive Secretary